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FINANCING OF THE UNITED NATIONS MISSION IN HAITI

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General containing the financial performance of the United Nations Mission in Haiti (UNMIH) for the period from 1 February to 31 July 1995 (A/50/363/Add.1). During its consideration of the report, the Committee met with representatives of the Secretary-General who provided additional information.

2. The Security Council in its resolution 975 (1995) of 30 January 1995, authorized the full transfer of responsibilities from the multinational force to UNMIH by 31 March 1995. By the same resolution, the Council authorized the full deployment of up to 6,000 troops and 900 civilian police officers and extended the Mission's mandate for a period of six months, until 31 July 1995.

3. The General Assembly, in its resolution 49/239 of 31 March 1995, appropriated and assessed the amount of $151,545,100 gross ($149,579,700 net) for the operation of UNMIH for the period from 1 February to 31 July 1995. As indicated in annex I to the Secretary-General's report, expenditure for the period amounted to $133,531,900 gross ($132,305,000 net), resulting in an unencumbered balance of $18,013,200 gross ($17,274,700 net).

4. The Advisory Committee notes that the performance report is well prepared and takes into account previous comments of the Committee. The Committee welcomes the tabulations contained in the annexes to the report, summarizing the planned and actual deployment of civilian and military personnel, incumbency and vacancy rates. Planned expenditure rates and actual costs incurred per unit per period have also been provided for items such as cost of rations, rental of premises and air operations. The Committee, however, sought clarification on a number of general issues, as mentioned below.

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5. With regard to the large difference between the interim unencumbered balance of $10,683,000, previously reported to the Committee for the period from 1 February to 31 July 1995 (A/50/488, annex), and the actual unencumbered balance of $18,013,200 reported in the report under consideration (A/50/363/Add.1), the Advisory Committee was informed of the existing difficulties in reconciling data in the mission area with the accounts maintained at Headquarters. The Committee notes from paragraph 17 of annex II that several trips, in addition to those planned, were required for the implementation of microcomputer-based accounting systems (i.e., the Sun accounting system and the Reality procurement system). Upon inquiry, the Committee was informed that the finance and procurement staff of the Mission have been trained and are currently being supported by telephone from New York. The Committee trusts that, with the installation of microcomputer-based accounting systems and training of mission personnel in these systems, the timeliness of submission of accurate data will improve in this Mission and other peace-keeping operations where these systems are installed. The Committee intends to monitor progress in this respect.

6. As regards military personnel costs, the Advisory Committee notes from annex II, paragraphs 4 and 6, that additional requirements of $1,920,400 were incurred for rations owing to delays in securing a contract for rations until July 1995; instead rations were provided to the contingents through the letter-of-assist arrangement from March through 14 July 1995. The circumstances of this situation were previously reported to the Committee, as indicated in paragraph 18 of the Committee's report of 29 September 1995 on the UNMIH budget (A/50/488). In response to further clarification sought to remedy the situation, the Committee was briefed on the status of implementation of system contracts.

7. The Advisory Committee was informed that under the system contract arrangement the United Nations will be able to forecast requirements for an extended period of time, be committed to only a minimum purchase, conduct a competitive bidding exercise and draw against the contract only when required. It was indicated that system contracts will allow the United Nations missions to group all requirements for similar or identical items into one single framework, taking advantage of the volume discount potential and setting up a mechanism for drawing their requirements, without repeating the bidding exercise with each requisition. It is expected that the procurement process can start prior to allocation of funds for a particular mission and be carried out with the required funding for only the minimum quantity. It was indicated that system contracts have been initiated in areas of transport, supply, engineering and electronic support.

8. In reference to other costs pertaining to military personnel, the Advisory Committee notes from annex I and paragraph 8 of annex II that expenditures under contingent-owned equipment amounted to $6,503,600, resulting in savings of $2,871,700. The Committee recalls that it had been informed (A/50/488, para. 20) that as of September 1995 no claims from Governments for contingent-owned equipment had been received and that provision for reimbursement to troop-contributing Governments for the use of contingent-owned equipment had been budgeted on the basis of an average reimbursement rate of 10 per cent per annum on an estimated value of $50 million worth of equipment per battalion;

however, the actual reimbursement will be effected on the basis of an average reimbursement rate of 10 per cent per annum on an estimated total value of contingent-owned equipment of $130,060,000. The Advisory Committee points out that these arrangements are interim and that it intends to revert to the examination of this issue upon the submission of the Secretary-General's report on contingent-owned equipment.

9. The Advisory Committee notes from paragraph 13 of annex II and the tabulation in annex IV that savings of $2.1 million in international and local staff costs were realized in the reporting period, including large savings resulting from the hiring of mission personnel as mission appointees. The Committee recalls that it had been informed that 30 per cent of the staff had been classified as mission appointees and were not entitled to headquarters post adjustment costs (A/50/488, para. 22). The Committee welcomes the practice of hiring mission personnel as mission appointees in other missions wherever feasible.

10. The Advisory Committee notes from paragraph 16 of annex II that additional requirements in the amount of $33,400 were needed for consultants. Five consultants were employed for a total of 138 person-days to provide advice in the "professionalization and creation of new police force, legal aspects, development and standardization of logistics support contract provisions as well as assessment of contingent-owned equipment in-surveys." The Committee is not convinced that all these services could not have been provided by in-house expertise and/or planned and budgeted in the mission's plan of operations. The Committee has on previous occasions (see, for example, A/50/488, para. 28) pointed out the need to improve the methodology used by survey teams during the planning stages of peace-keeping missions to permit a better assessment of actual requirements of the field operations and the formulation of realistic budget estimates.

11. With respect to air operations, the Committee notes that savings totalling $4.9 million resulted from actual requirements for helicopters in the mission area. Upon inquiry, the Committee was informed that contractual arrangements with the military supplier of helicopters proved to be more economical than budgeted; instead of contracting for a minimum number of hours per month, plus making provisions for additional hours, payments were made on the basis of actual helicopter hours used. The Committee welcomes this arrangement and expects that it will be applied in other peace-keeping operations, whenever feasible. The Committee requested and expects to receive shortly detailed cost comparisons for the different options for the rental of aircraft and helicopters.

12. The Advisory Committee notes from paragraph 52 of annex II that additional requirements totalling $7.2 million resulted from the provision of required services under letter-of-assist arrangements owing in part to the extensive time required for completing the procurement process to secure a logistics support contract. As indicated in paragraph 18 of the Committee's report of 29 September 1995 (A/50/488), the Committee intends to take up the issue of minimizing delays in acquiring urgently needed equipment and services in peace-keeping operations in the context of its consideration of the Secretary-General's report on procurement.

13. The Advisory Committee concurs with the recommendation of the Secretary-General, as indicated in paragraph 9 of his report, that the General Assembly set off against the future assessment on Member States their respective share in the unencumbered balance of $18,013,200 gross ($17,274,700 net) for the period from 1 February to 31 July 1995.